

PENACHIO MALARA, LLP

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VIA HAND

July 10, 2018

Jose Hernandez

Re: Engagement Letter: Individual Chapter 13 Filing

Dear Jose:

This letter is intended to confirm the terms upon which you have agreed to retain this law firm to represent you in connection with your voluntary Chapter 13 proceeding in New York. If acceptable, we request that you sign and return a copy of the letter to us.

1. PARTIES. Penachio Malara LLP is sometimes hereinafter referred to as "Counsel," and you are sometimes hereinafter referred to as "Client."

2. LEGAL SERVICES TO BE PROVIDED. Ordinary Services in connection with a Chapter 13 case, including preparation of schedules, petition, appearance at meeting of creditors, and creditor issues. The ultimate goal in this proceeding is for you to obtain a discharge of your obligations through Chapter 13 and obtain a loan modification of your mortgage or forbearance agreement.

The representation includes:

- analysis of the financial situation and rendering advice and assistance to the client in determining whether to file a Bankruptcy petition;
- preparation and filing of the petition, a schedule of assets and liabilities, statement of financial affairs, a chapter 13 plan, and related filings;
- representation of the client section 341 meeting of creditors; and
- Representation of the client at the hearing on confirmation of the plan

The representation does not include any extraordinary services such as;

- Audits
- Claims involving Fraud. Objections to Discharge and Dischargeability
- negotiation and resolution of tax issues
- defense of the debtor against the motion for relief from the automatic stay and/or co-debtor stay.

- Post confirmation Defense of the debtor against the motion to dismiss the debtor's case
- application to sell property or lease or purchase property
- conversion to chapter 7
- Post confirmation upward or downward modification plan
- Loss Mitigation or Modification of your mortgage

3. **ATTORNEYS' FEES AND EXPENSES.** Counsel will consult with you consistently on an ongoing basis on all matters of case strategy and keep you apprised in writing or e-mail of all scheduled events. Fee is a flat fee arrangement of \$8,500.00 including the filing fee of \$310.00. For non-standard services, Counsel may bill monthly on a time and expenses basis at our usual hourly rates (between \$150.00 and \$450.00 per hour depending upon the complexity of the issues and Court time).

The hourly rate for extraordinary services is \$400.00 for attorneys and \$150.00 for paralegals. Expenses include filing fees, process service fees, transcript costs, investigators' and expert fees, subpoena fees, messengers, photocopy, telephone/fax, postage, travel, and such other usual and customary expenses we incur associated with any litigation. I will be the primary attorney responsible and billing contact. We will use an associate or paralegals wherever appropriate. The balance of our fee of \$8500 — is paid out of your chapter 13 Plan payments should your case confirm.

This acknowledges that you have remitted retainer fee of \$ 3500 — inclusive of the filing fee of \$310.00 for a total of \$ 3000.00.

5. **TERMINATION OF LEGAL SERVICES.** Client has the right to terminate our services upon written notice to us. Subject to our obligations to Client to maintain proper standards of professional conduct, we reserve the right to terminate our services for good reasons which include, but are not limited to:

- (a) if Client fails to cooperate with us in any reasonable request; or
- (b) if our continuing to act would be unethical or impractical.

6. **DISCLAIMER OF GUARANTY.** Although Counsel may offer an opinion about possible results regarding the subject matter of this agreement, Counsel cannot guarantee any particular results. Counsel has made no promises about the outcome, and any opinion offered by the Counsel in the future will not constitute a guarantee. You have provided Counsel with financial information as of the date of this letter.

7. **IMPORTANT INFORMATION.** From time to time Counsel will be sending you letters in the mail or by the e-mail you provided. Please be sure to check and read all mail sent to you as some may contain important Court dates or requests for documentation.

Under certain circumstances, New York law provides clients with the right to arbitration of fee disputes.

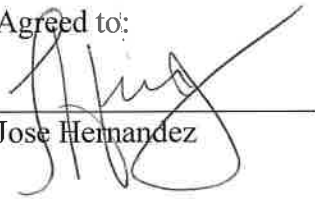
We appreciate the opportunity to represent you and look forward to working with you and obtaining a favorable result.

Very truly yours,

Anne Penachio

Agreed to:

Jose Hernandez

A handwritten signature in black ink, appearing to read 'Jose Hernandez', is written over a horizontal line. The signature is stylized with a large, sweeping 'J' and 'H'.